

II.	FISCAL SECTION
1200	Budget Revisions and Amendments

1201 General Information

A Budget Adjustment Request (BAR) is required to revise any line items in a State or Federal Share Budgets. Revision to budget line items must be submitted to and approved by the assigned Contract Manager (CM) prior to implementation. Submission of a budget revision must be made prior to the end of the contract term. Requests for revisions after this deadline will not be considered.

1202 Requesting a Budget Revision

Most budget revisions can be completed informally using a BAR form (see Form A19 in the Appendix Section). However, in some cases, budget revisions require a formal contract amendment. The assigned CM can determine whether the budget revision requested can be accomplished as an Informal Budget Revision using a BAR or if it will require a formal Contract Amendment. To request a budget revision, Contractors should:

1. Email the CM with a BAR.
2. Provide a justification as to why the budget revision is necessary.
3. Provide a breakdown of each line item that is impacted.

1203 Budget Adjustment Request

A BAR may be used to revise line item amounts in State or Federal Share Budgets when:

1. The amount does not exceed a cumulative line item shift of up to \$25,000 or 10% of the annual contract agreement total, whichever is greater, up to a cumulative annual maximum of \$50,000.
2. The total contract agreement amount does not increase or decrease.
3. Allowable changes include revisions to the budget detail that make up a given line item.
4. The change is programmatically justified and does not extensively alter the approved SOW.
5. A narrative is submitted explaining the changes to each line item that is impacted.

The CM will communicate approval of the BAR or address any problems with the Contractor. After approval, the "Revised Approved Budget" on the BAR form should be used to replace the "Approved Budget" on any future budget documents (e.g., State Share Documentation Report or Invoice). See Form A19 in the Appendix Section for the BAR form and instructions. An electronic version is also available online at www.ca5aday.com/FiscalGM.

1204 Formal Contract Amendment

A formal contract amendment is required when:

1. The Federal Share Budget cumulative line item adjustments exceed \$25,000 or 10% of the annual contract agreement total; whichever is greater, up to a cumulative annual maximum of \$50,000.
2. The total contract agreement amount increases or decreases.
3. The change extensively alters the approved SOW.

Amendments must be submitted to and approved by the assigned CM and PM, prior to implementation. Submission of a contract amendment must be made prior to the end of the contract term. Amendments are effective only after they are reviewed, approved, and processed by the *Network* and the CDHS Contract Management Unit (CMU). The contract

amendment process is often time-consuming. Contractors should contact the CM as soon as it is determined that an amendment may be necessary. Contract amendments may be limited due to Smart Growth Policy restrictions or compliance issues.

1205 Allowable Informal Scope of Work (SOW) Changes without an Amendment

In administering an agreement, the following types of SOW changes can be made without a formal contract amendment.

1. Minor SOW changes that do not alter the basic scope, goal, purpose or agreement amount; including non-substantial revisions to:
 - Detailed work activities including substitution of similar activities and tasks.
 - Contract deliverables, including substitution of comparable deliverables.
 - Performance time frames, including modification of completion/target dates; (extension of terms requires an amendment).

1206 Informal SOW Change Process

Contractors should work with their PM on SOW Changes. To request an informal SOW change, a Contractor should email the request to their M with a justification for why the informal SOW change is necessary. Contractors should follow the following Informal SOW change process:

1. Maintain all existing text in the SOW.
2. Added/new text will be shown in **bold and underline**.
3. Deleted text will be shown in ~~strike-out~~ text.
4. Informal SOW changes will be color-coded in the following order:
 - #1 – Black
 - #2 – Red
 - #3 – Green
 - #4 – Blue
 - #5 – Purple
 - #6 - Orange
5. Enter the revision number, revision date, and effective date and number in the SOW footer in the corresponding color (e.g. Revision #1, 7/11/2007; effective 7/31/2007).
6. If there is a budget revision required because of the informal SOW Change request, Contractors should work with their CM to do the corresponding BAR.
7. In general, informal changes are limited to no more than one (1) each contract year.
8. Informal SOW Changes must be approved by the PM.